



CAPT BOB HEIFNER, USN, COMMANDER
DCMC VAN NUYS

EXPANDED MANAGEMENT COUNCILS IN A GEOGRAPHIC ENVIRONMENT

Presentation for Maj Gen Robert W. Drewes, 15 April 1997



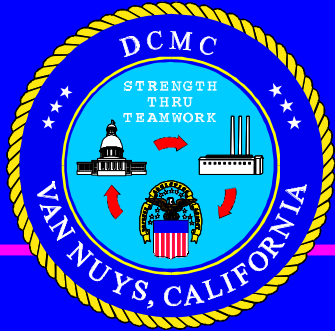
OUR CHALLENGE

- ESTABLISH AND UTILIZE THE EXPANDED MANAGEMENT COUNCIL CONCEPT IN A GEOGRAPHIC AREA COVERING 1,200 CONTRACTORS.



OUR APPROACH

- COMMAND COMMITMENT.
- DETERMINE NUMBER OF MANAGEMENT COUNCILS THAT CAN AND SHOULD BE SUSTAINED.
- ESTABLISH LIST OF “HIGHEST POTENTIAL” CONTRACTORS THAT CAPTURES THE “VITAL FEW.”
- DEVELOP MANAGEMENT COUNCIL STRATEGY PLANS.
- IMPLEMENT.
- CONTINUOUSLY MONITOR PROGRESS AND ADJUST PROCESS.



COMMAND COMMITMENT

- HIGHEST PRIORITY.
- CONTINUOUS MONITORING AT STAFF MEETINGS.
- COMMUNICATE TO INDUSTRY:
 - COMMAND LETTERS TO CEOs.
 - COMMANDER AND SENIOR MANAGEMENT BRIEFINGS TO CEOs.
 - COMMANDER AND SENIOR MANAGEMENT FOLLOW-UP WITH CEOs TO SECURE CONTRACTOR COMMITMENTS.
 - COMMANDER'S INVITATION TO CONTRACTORS TO PARTICIPATE IN ACQUISITION DAY II (MARCH 19, 1997).



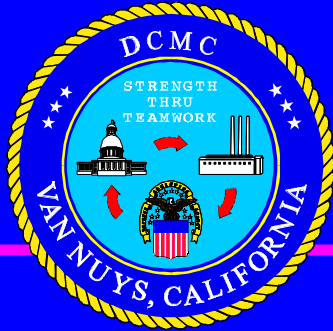
DETERMINE NUMBER OF MANAGEMENT COUNCILS THAT CAN AND SHOULD BE SUSTAINED.

- CAO COMMANDER INITIATED MANAGEMENT COUNCIL AT LARGEST CONTRACTOR -- TRW.
- LEVERAGE ORGANIZATION TO EXTEND MANAGEMENT COUNCIL COVERAGE AS FAR AS POSSIBLE AMONG OUR CONTRACTORS:
 - EXTEND TO FIVE OPERATIONS CHIEFS (FORMER MO COMMANDERS) TO ESTABLISH AND CONDUCT MANAGEMENT COUNCILS FOR THEIR GEOGRAPHIC AREAS.



DETERMINE NUMBER OF MANAGEMENT COUNCILS THAT CAN AND SHOULD BE SUSTAINED.

- INITIAL BITE OF THE ELEPHANT: FOUR MANAGEMENT COUNCILS PER OPERATIONS CHIEF = TWENTY MANAGEMENT COUNCILS FOR DCMC VAN NUYS.
- ESTABLISH ADDITIONAL MANAGEMENT COUNCILS AS WE GAIN EXPERIENCE AND AS OPPORTUNITIES PRESENT.



ESTABLISH LIST OF “HIGHEST POTENTIAL CONTRACTORS”

- RANK ORDERED 1,200 CONTRACTORS BY:
 - ULO
 - ENVIRONMENTAL FACTORS:
 - COMMERCIAL/MILITARY MIX.
 - ISO 9000 OPPORTUNITY.
 - PROCAS.
 - DESIGN RESPONSIBILITY
- “HIGHEST POTENTIAL” LIST OF TOP TWENTY COVERS 80% OF ULO: “THE VITAL FEW.”
- EXISTING PROCESSES (PROCAS, ETC..) FOR OTHER OPPORTUNITIES USING MANAGEMENT COUNCIL CONCEPTS.

MANAGEMENT
INVESTMENT

EMPOWERMENT
LEVEL

MORE

SENIOR MANAGEMENT DECISION LEVEL
EMPOWERMENT (STRATEGIC IMPROVEMENTS)

MANAGEMENT
COUNCILS

VITAL FEW

RESOURCE EFFICIENCY

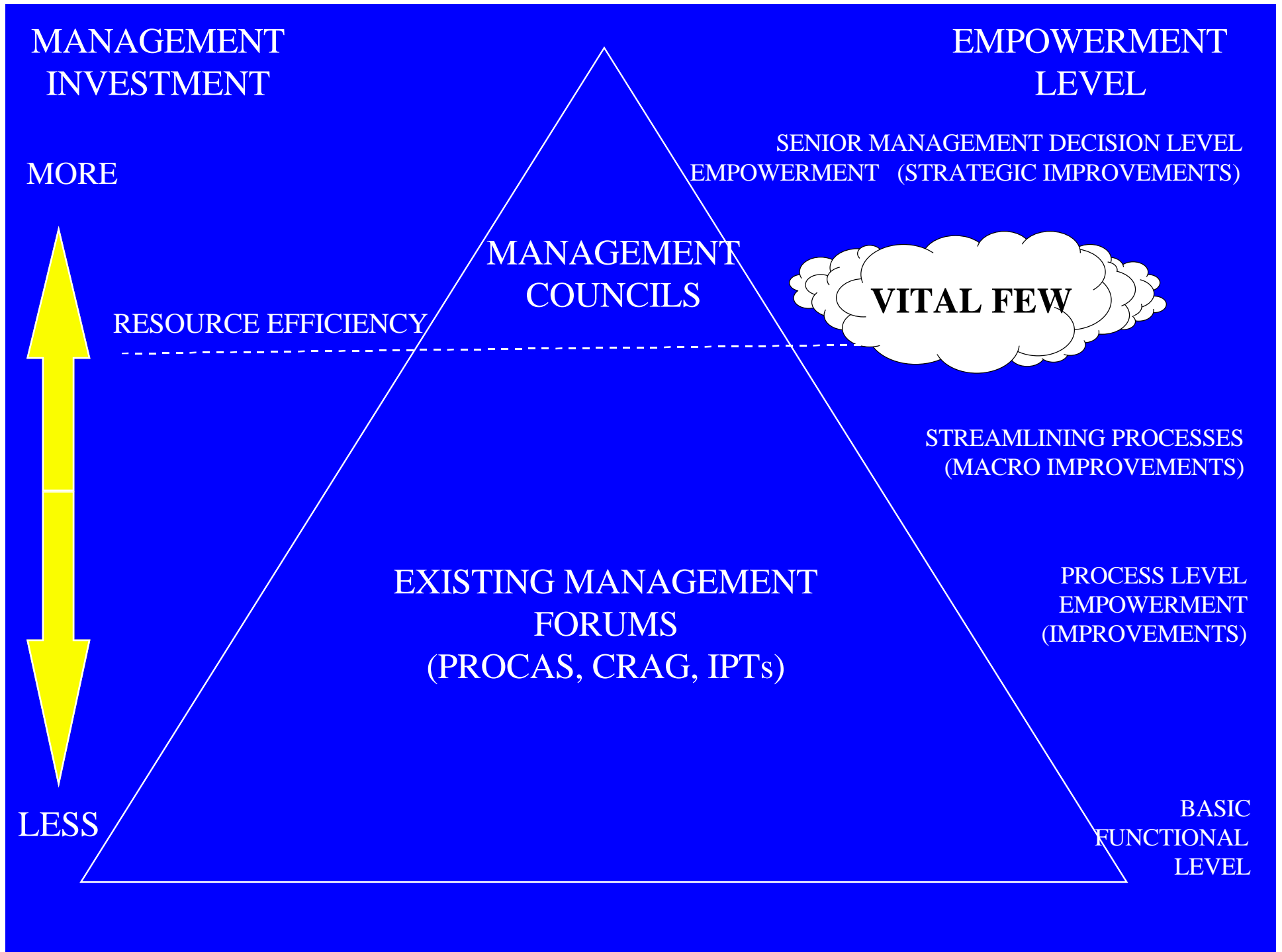
STREAMLINING PROCESSES
(MACRO IMPROVEMENTS)

EXISTING MANAGEMENT
FORUMS
(PROCAS, CRAG, IPTs)

PROCESS LEVEL
EMPOWERMENT
(IMPROVEMENTS)

LESS

BASIC
FUNCTIONAL
LEVEL



MANAGEMENT COUNCIL PROSPECTS

ULO AMOUNT	CONTRACTOR NAME	RANKING PTS
643,832,077	AAA	2575328308
96,533,259	AAB	386133036
242,529,186	AAC	970116744
223,260,604	ABA	893042416
110,928,498	ABB	443713992
46,955,819	ABC	187823276
91,952,628	ACA	183905256
38,298,787	ACB	153195148
69,254,017	ACC	138508034
31,171,647	BAA	124686588
55,150,623	BAB	110301246
25,521,299	BAC	7656897
58,074,264	BBA	58074264
13,510,166	BBC	40530498
38,933,859	BCA	38933859
12,371,686	BCB	34040379
7,987,076	BCC	31948304
13,801,568	CAA	27603136

90% RANKING POINTS
80% ULO



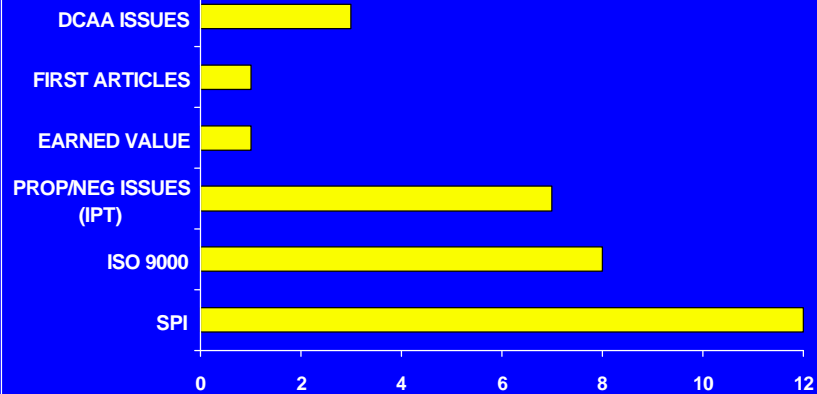
DEVELOP MANAGEMENT COUNCIL STRATEGY PLANS

- CONTRACTOR SPECIFIC:
 - SPI AND PROCAS HISTORY.
- OPPORTUNITIES:
 - ACQUISITION PERFORMANCE GOAL HISTORY AND POTENTIAL.
 - ACQUISITION INITIATIVE HISTORY AND POTENTIAL.
 - ACQUISITION PROCESS IMPROVEMENT HISTORY AND POTENTIAL.

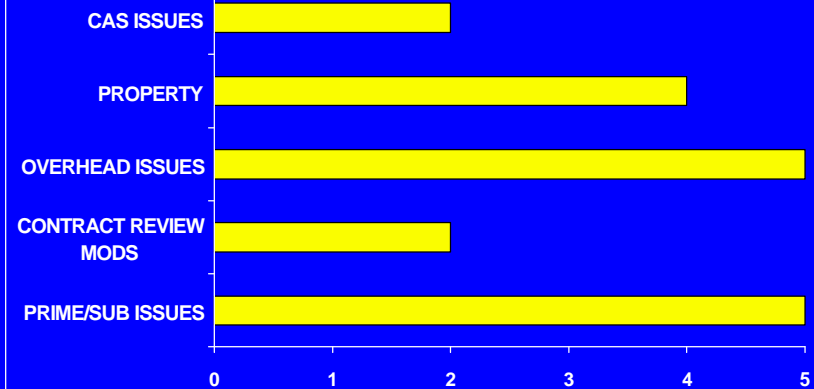
TARGETED AREAS OF OPPORTUNITY

(AMONG THE 20 SELECTED CONTRACTORS)

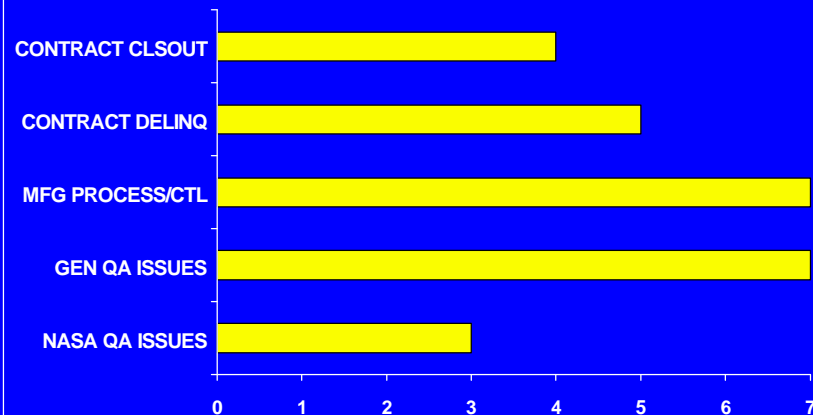
ACQUISITION REFORM INITIATIVES

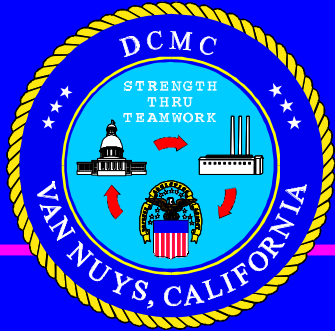


ACQUISITION PROCESS IMPROVEMENTS



PERFORMANCE IMPROVEMENTS





CONTINUOUSLY MONITOR AND ADJUST PROCESS

- ESTABLISH ADDITIONAL MANAGEMENT COUNCILS AS OPPORTUNITIES PRESENT THEMSELVES.
- MONITOR 'HIGHEST PRIORITY' LIST FOR ADDITIONS OR DELETIONS.
- CREATIVE USE OF MANAGEMENT COUNCIL OPPORTUNITIES.
- USE MANAGEMENT COUNCIL CONCEPTS FOR IMPLEMENTATION BELOW MANAGEMENT COUNCILS.



SUCCESSSES

* GENERAL:

- CEOs CURRENTLY INVOLVED IN SPI COUNCIL ARE VERY RECEPTIVE.
- CEOs HAVE PROMISED PERSONAL INVOLVEMENT.

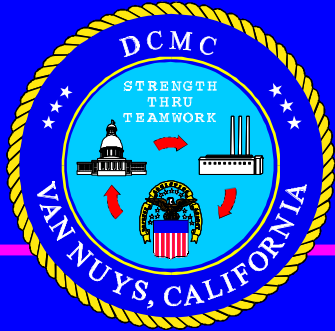
* SPECIFIC EXAMPLES OF “BEYOND SPI” TOPICS:

- TRW
 - CONTRACTOR SELF OVERSIGHT
 - OVERHEAD YEAR REDUCTION.
 - REDUCTION OF MGIs.



SUCCESSSES

- LITTON
 - IPT PRICING.
 - UCAs.
- AAA RESEARCH CENTER
 - CONTRACTOR SELF OVERSIGHT -
DELIVERY SURVEILLANCE.



CHALLENGES

- CUSTOMER SENIOR MANAGEMENT RESOURCES
- PARTICIPANT EMPOWERMENT.